2004

Celebrating 16 Years

National Institute of Standards and Technology
Technology Administration • Department of Commerce
Baldrige National Quality Program

Handbook for the Board of Examiners

ethics

accomplishment

recognition

BALDRIGE
National Quality Program

This page intentionally left blank.

Words of Welcome

It is a pleasure to welcome you to the 2004 Board of Examiners for the Baldrige National Quality Program. As a member of the board, you have the opportunity to help U.S. organizations take the next step in understanding and implementing the concepts of performance excellence in business, education, and health care. Your contributions will make a difference.

As you may know, we expect much of you. It is because of your integrity, thoroughness, commitment, and energy as a Baldrige Examiner that the Baldrige Award has played such a crucial role in enhancing U.S. competitiveness, quality, and performance excellence. You are the core of the Baldrige Program. By volunteering your time and expertise, you add value and prestige to the Baldrige Award.

This Handbook is a resource that will help you in your role as an Examiner. It contains basic information about the Baldrige Program and the processes used in evaluating applicants.

Thank you for your support in this important and unique partnership effort between the private sector and the U.S. government. I hope you derive great satisfaction from taking part in the Baldrige experience. Our nation truly values your efforts. I look forward to working with each of you in our mutual quest to strengthen U.S. performance excellence here and around the world.

Harry S. Hertz

Harry S. Hertz
Director, Baldrige National Quality Program

CONTENTS

1.0 About This Handbook

Purpose

The purpose of this Handbook is to provide the Board of Examiners with a summary of basic information about the Award and the processes used in evaluating applicants. Its intent is to help ensure fair and thorough evaluations of applicants and to guide Examiners in fulfilling their responsibilities.

It is hoped that Examiners will use the Handbook in their preparation for Examiner training and as a reference throughout the evaluation processes. More detailed process instructions will be provided to Examiners on an as-needed basis. (For further information, contact the Award Process Team of the Baldrige National Quality Program [BNQP] at [301] 975-2036.)

Contents and Format

The sections of this Handbook are as follows:

- About This Handbook
- The Malcolm Baldrige National Quality Award
- The Board of Examiners
- Evaluation Process
- Scoring System
- Stage 1, Independent Review
- Stage 2, Consensus Review
- Stage 3, Site Visit Review
- Recommendation of Award Recipients
- Feedback System
- Selection Procedures Used by the Panel of Judges
- Appendices

Revisions

This Handbook will be revised annually or as needed.

Request for Comments and Suggestions

Readers/users of this Handbook are encouraged to send suggestions for revision to the Baldrige National Quality Program, National Institute of Standards and Technology (NIST). Refer to Appendix 1 for contact information.

2.0 The Malcolm Baldrige National Quality Award

Background

Public Law 100-107, the Malcolm Baldrige National Quality Improvement Act of 1987, was signed into law by President Ronald Reagan on August 20, 1987. This act established the Malcolm Baldrige National Quality Award, named in honor of this former Secretary of Commerce.

For the first ten years of the Baldrige National Quality Program, the Award was limited to three eligibility categories: manufacturing, service, and small business. On October 30, 1998, President William Clinton signed legislation establishing two additional eligibility categories: health care and education.

The Award is managed by the Baldrige National Quality Program at the National Institute of Standards and Technology. The Secretary of Commerce and NIST develop and manage the Award with cooperation and support from the private sector. Currently, the American Society for Quality (ASQ) is under contract to NIST to administer the Award.

Purpose

The Baldrige National Quality Program encourages performance improvement in all sectors of the economy. The Program establishes the guidelines and criteria that can be used by organizations to evaluate their own performance or to apply for the Award. It also disseminates information detailing how superior organizations are able to achieve outstanding performance and improved competitiveness. The concept of performance excellence is directly applicable to organizations of all types and sizes.

The Award promotes

- awareness of performance excellence as an increasingly important element in competitiveness
- information sharing of successful performance strategies and the benefits derived from using these strategies

Awards are made annually to recognize U.S. organizations for performance excellence. Up to three Awards may be given in each of five eligibility categories:

- manufacturing businesses
- service businesses
- small businesses
- education organizations
- health care organizations

Criteria Categories

The Baldrige Criteria for Performance Excellence are the basis for organizational self-assessments, for making Awards, and for giving feedback to applicants. Seven Categories focus on the basic elements of performance excellence and are listed on page 2-2. An Organizational Profile sets the context for how the organization operates. Emphasis is placed on performance excellence as demonstrated through systematic processes and results and quantitative data furnished by applicants.

Award Presentation

Recipients are presented with an Award crystal, composed of two solid crystal prismatic forms, that stands 14 inches tall. The crystal is held in a base of black anodized aluminum with the Award recipient's name engraved on the base. A 22-karat gold-plated medallion is captured in the front section of the crystal. The medal bears the inscriptions "Malcolm Baldrige National Quality Award" and "The Quest for Excellence®" on one side and the Presidential Seal on the other.

The President of the United States traditionally presents the Awards at a special ceremony in Washington, DC.

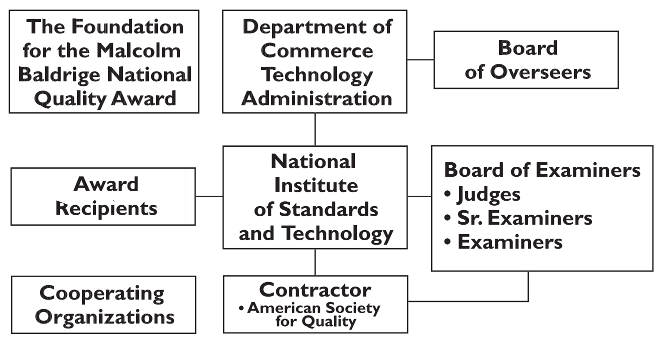
Recipients may publicize and advertise their receipt of the Award. The recipients are expected to share information about their successful performance and quality strategies with other U.S. organizations.

Organization of the Award Program

Building active collaborations in the private sector, and between the private sector and all levels of government, is fundamental to the success of the Baldrige National Quality Program in improving national competitiveness. Support by the private sector for the Program in the form of funds, volunteer efforts, and participation in information transfer continues to grow.

To ensure the continued growth and success of the Program, each of the organizations in the chart on page 2-2 plays an important role.

Baldrige National Quality Program Organization



The Foundation for the Malcolm Baldrige National Quality Award

The Foundation for the Malcolm Baldrige National Quality Award was created to foster the success of the Program. The Foundation's main objective is to raise funds to permanently endow the Award Program.

Prominent leaders from U.S. organizations serve as Foundation Trustees to ensure that the Foundation's objectives are accomplished. A broad cross section of organizations throughout the United States provides financial support to the Foundation.

National Institute of Standards and Technology

The U.S. Department of Commerce is responsible for the Baldrige National Quality Program and the Award. The National Institute of Standards and Technology, an agency of the Department's Technology Administration, manages the Baldrige Program. NIST promotes U.S. economic growth by working with industry to develop and deliver the high-quality measurement tools, data, and services necessary for the nation's technology infrastructure. NIST also participates in a unique, government/private-sector partnership to accelerate the development of high-risk technologies that promise significant commercial and economic benefits. Through a network of technology extension centers and field offices serving all 50 states and Puerto Rico, NIST has helped small- and medium-sized businesses access the information and expertise they need to improve their competitiveness in the global marketplace.

American Society for Quality

The American Society for Quality, under contract to NIST, assists in administering the Award Program. ASQ is dedicated to the ongoing development, advancement, and promotion of quality concepts, principles, and techniques. ASQ strives to be the world's recognized champion and leading authority on all issues related to quality. ASQ recognizes that continuous quality improvement will help the favorable positioning of American goods and services in the international marketplace.

The seven Baldrige Criteria Categories are as follows:

	Business	**Education**	**Health Care**
1	Leadership	Leadership	Leadership
2	Strategic Planning	Strategic Planning	Strategic Planning
3	Customer and Market Focus	Student, Stakeholder, and Market Focus	Focus on Patients, Other Customers, and Markets
4	Measurement, Analysis, and Knowledge Management	Measurement, Analysis, and Knowledge Management	Measurement, Analysis, and Knowledge Management
5	Human Resource Focus	Faculty and Staff Focus	Staff Focus
6	Process Management	Process Management	Process Management
7	Business Results	Organizational Performance Results	Organizational Performance Results

Board of Overseers

The Board of Overseers advises the Department of Commerce on the Baldrige National Quality Program. The board is appointed by the Secretary of Commerce and consists of distinguished leaders from all sectors of the U.S. economy.

The Board of Overseers evaluates all aspects of the Program, including the adequacy of the Criteria and processes for determining Award recipients. An important part of the board's responsibility is to assess how well the Program is serving the national interest. Accordingly, the board makes recommendations to the Secretary of Commerce and to the Director of NIST regarding changes and improvements in the Program.

Board of Examiners

The Board of Examiners evaluates Award applications and prepares feedback reports. The Panel of Judges, part of the Board of Examiners, makes Award recommendations to the Director of NIST. The board consists of leading U.S. business, education, and health care experts. NIST selects members through a competitive application process. For 2004, the board consists of about 540 members. Of these, 10 (who are appointed by the Secretary of Commerce) serve as Judges, and approximately 100 serve as Senior Examiners. The remainder serve as Examiners. All members of the board must take part in an Examiner preparation course.

In addition to reviewing applications, board members play a significant role in sharing information about the Baldrige Program. Their membership in hundreds of professional, trade, community, and state organizations helps them to disseminate this information.

Award Recipients

Award recipients are required to share information on their successful performance and quality strategies with other U.S. organizations. However, recipients are not required to share proprietary information, even if such information was part of their Award application. The principal mechanism for sharing information is the annual Quest for Excellence Conference.

Award recipients in the 16 years of the Award have been extremely generous in their commitment to improving U.S. competitiveness and furthering the U.S. pursuit of performance excellence. They have shared information with hundreds of thousands of companies, education institutions, health care organizations, government agencies, and others. This sharing far exceeds expectations and Program requirements. Award recipients' efforts have encouraged many other organizations in all sectors of the U.S. economy to undertake their own performance improvement efforts.

3.0 The Board of Examiners

Role of the Board of Examiners

The Board of Examiners comprises leading U.S. business, education, and health care experts and individuals selected from industry, professional, and trade organizations; government agencies; other not-for-profit groups; and the ranks of the retired. As a member of the Board of Examiners, the duties you perform will maintain the foundation for the value and meaning of the Baldrige Program. The importance of your contribution cannot be overstated.

Accordingly, much is expected of you. As a member of the Board of Examiners, you agree to do the following:

- Serve for one Award cycle: from completion of the Examiner Preparation Course through the Award ceremony. There is a mandatory minimum commitment of 14 days between late April/May and September that includes attendance at Examiner training.
- Attend a four-day training course during the month of May, preceded by approximately 40-60 hours of prework.
- Serve as an ambassador of the Baldrige Program.
- Acquire knowledge and understanding of your role in the Baldrige Program.
- Identify and fulfill your responsibilities as an Examiner, Senior Examiner, or Judge.
- Adhere to the requirements of the Rules of Conduct, Code of Ethical Standards, Disclosure of Conflict of Interest, and Computer Practices and Confidentiality Considerations as stated on pages 3-3 through 3-5.
- Meet all requirements associated with a fair and competent evaluation, including adherence to the *Criteria for Performance Excellence*, the Scoring System, and consensus and site visit requirements.
- Maintain thorough documentation and reasonable records, honor time commitments, and adhere to due dates.

Selection of Board Members

Members of the Board of Examiners are selected based on individual merit and Program needs. The Baldrige National Quality Program seeks to constitute a board of experts capable of evaluating organizations eligible for the Award and serving as representatives for the Baldrige Program. The board includes Judges, Senior Examiners, and Examiners. Criteria used in the selection of board members include breadth and depth of experience; diversity of experience; leadership and external representation; and knowledge of business, specialized areas, and/or practices and improvement strategies leading to performance excellence.

Based upon the evaluation of their applications, Examiners and Senior Examiners are selected and appointed by NIST for one Award cycle. Judges are appointed by the Secretary of Commerce for three-year terms.

Board members may reapply for membership, if they wish to serve again, for a maximum of six years of service. Current Examiners are notified when the application process opens for future years. Each year, approximately one-third of the Examiners are replaced to provide opportunities for participation by others and to balance the board with Examiners from different sectors and with different work experiences.

Duties of the Board of Examiners

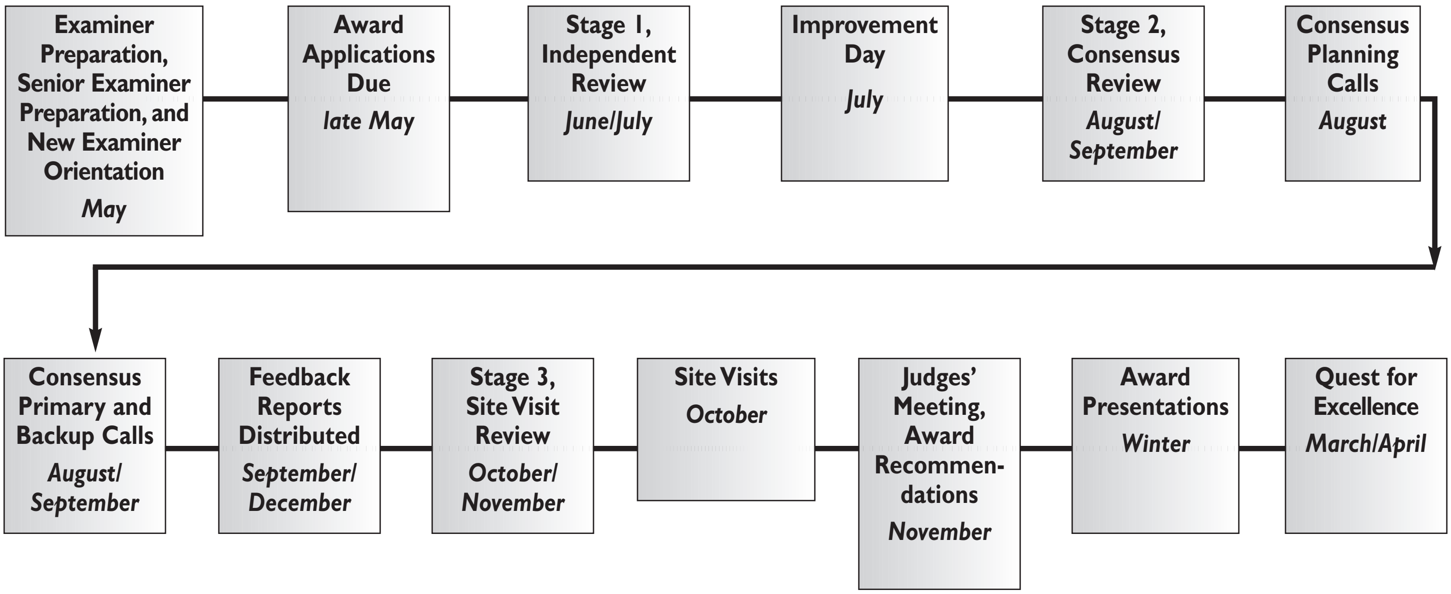
The Baldrige National Quality Program seeks to provide the fairest, most competent evaluation of each Award application. Accordingly, board members are assigned applications based on their knowledge and experience, consistent with the requirements to avoid conflicts of interest and to apportion the application load equitably. **It is also essential that Examiners adhere to agreed-upon schedules and that their evaluation be completed on schedule. Not adhering to the schedule can significantly hamper the overall Award process.** Depending upon the results of evaluations, overall participation of board members may vary.

- In Stage 1, Independent Review, all board members participate, with their duties requiring a time commitment of typically 35–50 hours per application.
- In Stage 2, Consensus Review, typically 50–70 percent of board members have assignments that require a time commitment of 20–27 hours over a period of 3–6 days.
- In Stage 3, Site Visit Review, 35–55 percent of board members participate, with their duties requiring a total time commitment of at least 7–10 days.

Estimated Time Required

Stage	*Activity*	*Estimated Time*
Consensus	Planning Call	1–2 hours
	Preparation includes reading materials and preparing documents.	12–16 hours
	2 Consensus Calls	5–6 hours each
	Post-call Wrap-up	2–3 hours
Site Visit	Preparation includes reading materials and preparing documents.	1–2 days
	Conference Calls	2–8 hours
	On-site/Hotel Work	5–7 days; each day requires approximately 12–18 hours of work

Award Cycle



- Some board members also prepare final scorebooks, requiring an additional time commitment.
- Some Senior Examiners also will be lead or backup team leaders for consensus review and Site Visit Teams.
- Judges review Stage 1 and Stage 2 applicant scores, select applicants for consensus review and site visits, recommend Award recipients to NIST, and review new Examiner applications to make selection recommendations to the board.

Service Recognition

After completing the Examiner Preparation Course

- Board members will receive a certificate of appointment and a lapel pin from the Department of Commerce designating their position on the Board of Examiners.
- Board members may request a press release from ASQ to submit to hometown newspapers, professional association newsletters, and similar publications by contacting ASQ. (See Appendix 1.)

In addition, board members will be invited to attend the ceremony for the Award recipients, a special recognition ceremony for Examiners, and other related Award ceremony events.

Examiners' Role as Ambassadors of the Program

In addition to application review responsibilities, board members may contribute significantly to the overall Baldrige mission by serving as representatives for the Program. As ambassadors of the Program, Examiners may participate on panels, give presentations, write articles, distribute Baldrige Program materials, and encourage the submission of applications for the Award and Board of Examiners. Many of these activities involve the professional, trade, community, and state organizations to which board members belong. It is important, however, that presentations reflect knowledge of the current Criteria and the Award process. To assist Examiners with these activities, educational materials are available upon request from the Baldrige National Quality Program. These materials are described in Appendix 2.

As representatives of the Program, board members should follow these guidelines:

- Focus on the Baldrige Program as a national education program for achieving performance excellence.
- Provide background on the creation of the Award Program by Public Law 100-107, the Malcolm Baldrige National Quality Improvement Act of 1987, and the Baldrige Program's current activities.
- Encourage submission of Examiner and Award applications.
- Use Baldrige-related materials, such as speakers' notes, overheads, publications, handouts, and Baldrige exhibits. (Feel free to contact the Baldrige

National Quality Program for recent updates of materials. See Appendix 2 for details.)

- Distribute copies of Program materials at meetings.
- Uphold the Rules of Conduct and the Code of Ethical Standards to protect the integrity of the Award.
- Communicate any significant issues, controversies, or changes that could impact the Criteria or the Baldrige National Quality Program.
- Gather input on needed changes to the Criteria—what works and what does not—and communicate this information to the Baldrige National Quality Program.
- Share suggestions for improvements, new ideas, or developing trends with the Baldrige National Quality Program (e.g., by contacting the Baldrige National Quality Program Office or attending the annual Improvement Day).
- Publish articles about the Program and share reprints with the Baldrige staff.
- Participate in conferences and engagements focused on overall performance improvement rather than winning the Award.

Rules of Conduct

The following Rules of Conduct are established to maintain the confidentiality of all Award application information, including the identity of applicants, and to preserve fairness in the examination process. The rules pertain to the entire Board of Examiners, including Judges, Senior Examiners, and Examiners.

1. All organization information about the applicant and the applicant's organization/business gained through the evaluation process shall be treated as confidential, and the following precautions shall be taken:
   a. Applicant information shall not be discussed with anyone, including other Examiners, with the exception of designated team members, Judges, the Award Administrator, and NIST representatives. This includes information contained in the written application, as well as any additional information obtained during a site visit.
   b. Names of applicants shall not be disclosed during or after the application review process.
   c. No copies of application information shall be made or retained.
   d. No notes pertaining to the application shall be retained.
   e. No discussions mentioning applicant identities are to be held on cellular or cordless phones or by voice mail or e-mail.
   f. No applicant information may be adapted and used subsequent to the review process, unless the information is publicly released by the applicant (at the annual Quest for Excellence Conference, for example).
2. Each Examiner is responsible for ***personally*** and ***independently*** scoring all assigned applications.
3. Examiners ***shall not*** communicate with the applicant organizations or in any manner seek additional documentation, information, or clarification. This includes Internet searches. If questions arise, contact NIST.
4. Examiners ***shall not*** at any time (during or after the evaluation cycle) independently give feedback to applicants regarding scoring or overall performance.
5. Examiners advising or participating with an organization in the preparation of an Award application ***shall not*** reveal or discuss that participation with other Examiners, either during the training or during the application review phases.
6. Upon completion of the Examiner Preparation Course, members of the Board of Examiners may use the following designation: Examiner, Malcolm Baldrige National Quality Award (MBNQA), and year(s) served. However, a board member may not use the MBNQA logo in any advertising or promotion, nor may business cards include the designation or the MBNQA logo.
7. Examiners shall never approach an organization they have evaluated for their personal gain, including the establishment of an employment or consulting relationship.
8. If approached by an organization they have evaluated, Examiners shall not accept employment from that organization for a period of five years after the evaluation.
9. During the consensus and site visit review processes, Examiners will strive to encourage and maintain a professional working environment that promotes respect of the Award applicants, their employees, and all members of the Examiner team.
10. When participating in a site visit, Examiners will strive to respect the climate, culture, and values of the organization being evaluated.

Code of Ethical Standards

Declaration of Principles

Members of the Malcolm Baldrige National Quality Award Board of Examiners pledge to uphold their professional principles in the fulfillment of their responsibilities as defined in the administration of Public Law 100-107, the Malcolm Baldrige National Quality

Improvement Act of 1987, which establishes the Malcolm Baldrige National Quality Award.

In promoting high standards of public service and ethical conduct, board members

- shall conduct themselves professionally, with truth, accuracy, fairness, respect, and responsibility to the public;
- shall not represent conflicting or competing interests, nor place themselves in such a position where the board member's interest may be in conflict—or appear to be in conflict—with the purposes and administration of the Award;
- shall safeguard the confidences of all parties involved in the judging or examination of present or former applicants;
- shall not offer confidential information or disclosures that may in any way influence the Award integrity or process, currently or in the future;
- shall not serve any private or special interest in fulfillment of the duties of a Judge or Examiner, therefore excluding, by definition, the examination of any organization or subunit of an organization by which he/she is employed or of which a consulting arrangement is in effect or anticipated;
- shall not serve as an Examiner of a primary competitor, customer, or supplier of any organization or subunit of an organization of which he/she is an employee, has a financial interest in or is otherwise involved with, or anticipates a consulting arrangement;
- shall not intentionally communicate false or misleading information that may compromise the integrity of the Award process or decisions therein;
- shall never approach an organization they have evaluated for their personal gain, including the establishment of an employment or consulting relationship; and
- if approached by an organization they have evaluated, shall not accept employment from that organization for a period of five years after the evaluation.

Furthermore, it is pledged that as a member in good standing of the Malcolm Baldrige National Quality Award Board of Examiners, each board member shall strive to enhance and advance the Malcolm Baldrige National Quality Award as it serves to stimulate American companies and organizations to improve quality, productivity, and overall performance.

Disclosure of Conflict of Interest

Those selected to serve on the Board of Examiners must submit a conflict of interest statement before the Examiner Preparation Course. Disclosure needs to take into account employers, significant ownership, client relationships, and affiliations that present—or could be perceived as—a conflict of interest to the board members' impartial fulfillment of duties in the Baldrige National Quality Program. Such information will be used for purposes of board members' assignments in the application review process and will otherwise be kept confidential. **The statement must be updated as circumstances change.**

Computer Practices and Confidentiality Considerations

Computer Use

When using personal computers, including laptop/notebook computers, apply the appropriate precautions and safeguards regarding hardware, confidential data/information, and viruses.

Due to confidentiality considerations, an Examiner is not permitted to have someone else transcribe written documents relating to the Award application evaluation.

Because typed material is more legible than handwritten material, it is strongly recommended that Examiners prepare documents using a word processor. It is also strongly recommended that all scorebook worksheets be prepared using the scorebook template provided by BNQP. Please scan your diskette using updated virus detection software before sending it. Specific instructions regarding format will be provided as each evaluation stage begins.

For Stage 1, a copy of the completed *Scorebook for Business, Education, and Health Care* must be submitted. Early in Stage 2, Consensus Review, and Stage 3, Site Visit Review, each team will discuss computer use, compatibility of software, and exchange of materials and come to an agreement on how the team will proceed. At the completion of these stages, printed copies of the final scorebooks are submitted along with an electronic file. These scorebooks are the basis for the applicant feedback reports.

Confidentiality Requirements

Confidentiality of the Award Program requires that electronic files be treated with the same degree of security as paper copies of Award application materials. Consequently, when not in use, electronic files should be removed from the computer hard disk and stored on a clearly marked diskette that is placed in a secure location, such as a locked file or file cabinet. Electronic files containing Award evaluations should never be placed on a computer or diskette where anyone other than the Examiner has access to them. In addition, confidential data/information should not be stored on a network drive where automatic backup routines may be performed. Because of the difficulty in securing electronic communications, electronic files containing Award evaluations may not be sent over the Internet or via e-mail.

When the review process is complete and the electronic files are no longer needed, the files (including any backup files the Examiner's word processor may have created) must be removed from the hard disk and/or the diskettes. These disks should be reformatted so that information cannot be retrieved using software recovery programs.

Reimbursement of Expenses

Since the Award application review process receives no federal funding and application fees are kept to a minimum, the Program operates with maximum voluntary support. Where individual needs exist, the Program will reimburse an Examiner for travel and expenses (in accordance with federal travel regulations) associated with the Examiner Preparation Course and other Program-related activities, when requested and approved in advance. Individuals selected for the board will be required to justify the need for reimbursement. If reimbursement needs change, written requests must be forwarded to

MBNQA Examiner Reimbursement
c/o American Society for Quality
P.O. Box 3005
Milwaukee, WI 53201-3005

Questions may be addressed to ASQ at (414) 765-7205 or alorentz@asq.org.

An Examiner should submit the MBNQA Examiner Expense Report—Award Cycle to

MBNQA Examiner Reimbursement
c/o American Society for Quality
P.O. Box 3005
Milwaukee, WI 53201-3005

Use of any other expense form will delay the processing of an Examiner's reimbursement.

Reimbursement Guidelines

Airfare

Airfare will be reimbursed at the advance purchase price, coach only, to a **maximum amount of $500.00**. Therefore, if the cost of your airline ticket exceeds $500.00, you will be reimbursed only up to the $500.00 limit. You must provide a legible receipt when requesting reimbursement. The Program cannot reimburse Examiners for business- or first-class travel.

Privately Owned Vehicle (POV) Travel

Examiners who drive vehicles are reimbursed at the Federal Travel POV rate (the current rate is 36.0 cents per mile) plus tolls. The total request for mileage and tolls cannot exceed the $500.00 limit.

Lodging

Lodging will be reimbursed at the reserved hotel rate for Examiners. If staying at a different location, reimbursement will be made up to the reserved hotel rate.

Other Reimbursable Expenses

The Program will reimburse Examiners for certain expenses defined below to a maximum amount of $100.00.

- **Transportation to and from the airport.** Reimbursement may be made to cover POV mileage, parking, or the most cost-effective mode of transportation. The Program will not reimburse for limousine service.
- **Meals.** Meals not provided by the Program may be reimbursed at the federal rate. When attending Examiner training, the Program provides breakfast and lunch during all three days of training and dinner Wednesday evening. Presently, the meal and incidental daily rate for the Gaithersburg area is $48.00. The maximum amounts for each meal follow:
  - $10.00 Breakfast
  - $12.00 Lunch
  - $26.00 Dinner
- **Award Program expenses.** Expenses incurred for telephone calls, faxes, and photocopies may be reimbursed. (These expenses must be in direct support of the Award Program.)
- **Overnight mail service.** Call ASQ at (800) 248-1946 for the billing code.

4.0 Evaluation Process

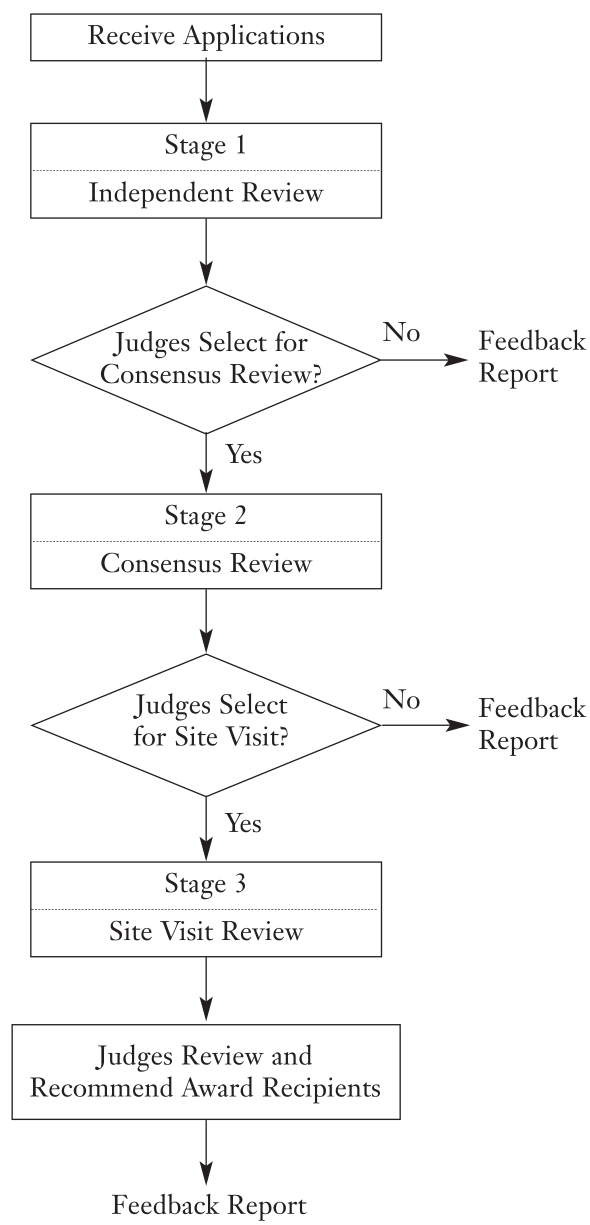
Overview

Written applications for the Malcolm Baldrige National Quality Award are evaluated by members of the Board of Examiners. High-scoring applicants are selected for site visits, and Award recipients are chosen from among the site-visited applicants. All applicants receive a written feedback report detailing their strengths and opportunities for improvement (OFIs).

Key Process Steps

There are four key steps in the evaluation process: (1) Stage 1, Independent Review; (2) Stage 2, Consensus Review; (3) Stage 3, Site Visit Review; and (4) Judges' Review and Recommend Award Recipients. The following diagram illustrates these steps.

Evaluation Process



5.0 Scoring System

Overview

The scoring of responses to Criteria Items (Items) and Award applicant feedback are based on two evaluation dimensions: (1) Process and (2) Results. Criteria users need to furnish information relating to these dimensions. Specific factors for these dimensions are described below.

Process

"Process" refers to the methods your organization uses and improves to address the Item requirements in Categories 1–6. The four factors used to evaluate process are Approach, Deployment, Learning, and Integration (A–D–L–I).

"Approach" refers to

- the methods used to accomplish the process
- the appropriateness of the methods to the Item requirements
- the effectiveness of the use of the methods
- the degree to which the approach is repeatable and based on reliable data and information (i.e., systematic)

"Deployment" refers to the *extent* to which

- your approach is applied in addressing Item requirements relevant and important to your organization
- your approach is applied consistently
- your approach is used by all appropriate work units

"Learning" refers to

- refining your approach through cycles of evaluation and improvement
- encouraging breakthrough change to your approach through innovation
- sharing of refinements and innovation with other relevant work units and processes in your organization

"Integration" refers to the *extent* to which

- your approach is aligned with your organizational needs identified in other Criteria Item requirements
- your measures, information, and improvement systems are complementary across processes and work units
- your plans, processes, results, analysis, learning, and actions are harmonized across processes and work units to support organization-wide goals

Results

"Results" refers to your organization's *outputs and outcomes* in achieving the requirements in Items 7.1–7.6. The four factors used to evaluate results are

- your current level of performance
- rate (i.e., slope of trend data) and breadth (i.e., how widely deployed and shared) of your performance improvements
- your performance relative to appropriate comparisons and/or benchmarks
- linkage of your results measures (often through segmentation) to important customer, product and service, market, process, and action plan performance requirements identified in your Organizational Profile and in Process Items

Item Classification and Scoring Dimensions

Items are classified according to the kinds of information and/or data you are expected to furnish relative to the two evaluation dimensions given above.

The two types of Items are designated as

1. Process **Process**
2. Results **Results**

In Process Items, approach–deployment–learning–integration are linked to emphasize that descriptions of approach should always indicate the deployment—consistent with the *specific requirements* of the Item. As processes mature, their description also should indicate how cycles of learning, as well as integration with other processes and work units, occur. Although the approach–deployment–learning–integration factors are linked, feedback to Award applicants reflects strengths and/or opportunities for improvement in any or all of these factors.

Results Items call for data showing performance levels, improvement rates, and relevant comparative data for key measures and indicators of organizational performance. Results Items also call for data on breadth of performance improvements. This is directly related to deployment and organizational learning; if improvement processes are widely shared and deployed, there should be corresponding results. A score for a Results Item is thus a composite based upon overall performance, taking into account the rate and breadth of improvements and their importance to the Item requirements and your business. (See following paragraph.)

"Importance" as a Scoring Consideration

The two evaluation dimensions described previously are critical to evaluation and feedback. However, another critical consideration in evaluation and feedback is the *importance* of your reported process and results to your key business/organizational factors. The areas of greatest importance should be identified in your Organizational Profile and in Items such as 2.1, 2.2, 3.1, 5.1, and 6.1. Your key customer requirements, competitive environment, key strategic objectives, and action plans are particularly important.

Assignment of Scores to Your Responses

- All Areas to Address should be included in your Item response. Also, responses should reflect what is important to your organization.
- In assigning a score to an Item, first decide which scoring range (e.g., 50 percent to 65 percent) is most descriptive of the organization's achievement level as presented in the Item response. "Most descriptive of the organization's achievement level" can include some gaps in one or more of the A–D–L–I (process) factors *or* results factors for the chosen scoring range. An organization's achievement level is based on a holistic view of either the four process or four results factors in aggregate and not on a tallying or averaging of independent assessments against each of the four factors. Assigning the actual score *within* the chosen range requires evaluating whether the Item response is closer to the statements in the next higher or next lower scoring range.
- A Process Item score of 50 percent represents an approach that meets the overall requirements of the Item, that is deployed consistently and to most work units covered by the Item, that has been through some cycles of improvement and learning, and that addresses the key organizational needs. Higher scores reflect greater achievement, demonstrated by broader deployment, significant organizational learning, and increased integration.
- A Results Item score of 50 percent represents a clear indication of improvement trends and/or good levels of performance with appropriate comparative data in the results areas covered in the Item and *important* to the business/organization. Higher scores reflect better improvement rates and/or levels of performance, better comparative performance, and broader coverage and integration with business/organizational requirements.

Frequently Asked Questions About Scoring

1. **Must the commentary and scoring for an Item be based only upon information the applicant has presented for that Item?**
   No, but the applicant's primary information for an Item should be contained in that Item response. Applicants are permitted to cross-reference to avoid significant duplication of information. Such cross-references need to be given full consideration by the Examiners. Occasionally, applicants include information that bears directly upon one Item in their response to another Item, without a cross-reference. Such information should be credited. In general, Examiners are expected to be alert to relevant information no matter where it appears in the application. However, Examiners are not expected to make comprehensive searches of other Item responses as they evaluate any particular Item. Information about the applicant and its products or services obtained outside the application itself may not be used.
2. **Must applicants address all Areas to Address?**
   Yes. All Areas must be addressed, although the applicant may choose to combine subareas or not to address subareas due to priorities or space limitations. Failure to address an entire Area to Address should be a basis for an OFI in the feedback comments and a significant consideration in assigning a score. Individual Areas are not assigned specific point values. Scoring should take into account how important an Area is for the success of the applicant's organization.
3. **Are all Areas to Address equally weighted in reaching a score for an Item?**
   No. Scoring should take into consideration how important an Area to Address is for the success of an organization in the applicant's operating environment. For example, one Area to Address may be more critical for a specific organization than another and, therefore, may be given more weight in scoring.
4. **Should Examiners "believe" data and information presented by applicants?**
   Yes. Examiners should assume all data and information presented are factual for purposes of scoring. If the applicant reaches Stage 3, Site Visit Review, the Site Visit Team's major task will be to clarify or verify any information and data and the basis of any claims to make certain of the data origin, validity, and use. In fact, data validity and use are major issues on all site visits.

5. **Should Examiners use their own specific sector knowledge in scoring?**
   Yes. Examiners may use specific sector knowledge to evaluate and score an applicant. Success of the scoring process depends upon the full range of expertise and experience of Examiners in their sectors. In Stage 2, Consensus Review, such pooling is particularly appropriate.

6. **What should Examiners expect when evaluating the "how" aspect of an applicant's process?**
   Items requesting information on process include questions that begin with the word "*how*." Applicant responses should outline key process information, such as methods, measures, deployment, and evaluation/improvement/learning cycles and alignment/integration of the process with organizational needs. Responses lacking such information, or merely providing an example, are referred to in the Scoring Guidelines as *anecdotal information.*

7. **What should Examiners expect when evaluating the "what" aspect of an applicant's approach?**
   Two types of questions in Process Items begin with the word "*what*." The first type of question requests basic information on the name and purposes of the key processes, how they work, and who is involved, including employees, staff, customers, suppliers, students, stakeholders, and partners. The information provided should also define how the process is aligned with organizational needs and linked to key performance requirements, as well as how the process is deployed and what evaluation and improvement cycles are used. (Although it is helpful to include who performs the work, merely providing such identification does not permit diagnosis or feedback.) The second type of question asks the applicant *what* are your key findings, plans, objectives, goals, or measures. These questions set the context for showing alignment in the performance management system. For example, the identification of key strategic objectives, action plans, human resource development plans, and some results measures can be expected to relate to the stated strategic objectives.

8. **What is meant by a "systematic" process?**
   Processes that are systematic are repeatable and use data and information so that improvement and learning are possible. In other words, processes are systematic if they build in the opportunity for evaluation and learning, and thereby permit a gain in maturity.

9. **Must Results be addressed in every Category and Item?**
   Every Item is designated according to the type of information requested—Process or Results. All Categories ask for information on the actual "impact" (i.e., visible changes in the organization) in the Items addressed. For example, Leadership (Category 1) is scored partly based on the evidence that awareness of leadership commitment is, in fact, widespread. Measurement, Analysis, and Knowledge Management (Category 4) is scored partly based on evidence that the information system is actually in place and used. Also, processes cited in Categories 3, 5, and 6 would be expected to be followed up in Category 7 with results and data relevant to these specific key processes. The processes and results should be in concert with the Key Factors and key strategies and action plans.

10. **To which standards should Results be scored: sector-specific standards or worldwide standards in similar processes?**
    In general, the Award intends that relevant worldwide benchmarks be used, particularly in assigning the very highest scores (90–100 percent). However, if the organization operates under constraints that make sector-specific comparison more sensible, Examiners may take such constraints into account. The intent is to set high but reasonable standards in seeking comparison points.

11. **What are the issues leading to the greatest variability in scoring?**

    a. ***Scores not adequately related to the KFs or Scoring Guidelines***
       Examiners are asked to consider the KFs for each Item to determine whether the applicant's response is relevant and important to its organization, particularly the customer requirements and key strategies and action plans. Item scores should be based on the best fit of the Item response with the Scoring Guidelines.

b. Examiner acceptance of statements made by applicants

Examiners are asked to accept applicants' statements at face value and to base judgments on whether or not statements are "reasonably supported." The greatest difficulties arise in Process Items. "Reasonably supported" should be taken to mean that applicants have provided sufficient information to convey what is done and who does it, thus giving the Examiners a flavor of the system for accomplishing the aims addressed in an Item. Without such information, Examiners would have difficulty giving useful feedback. For example, a statement such as *"The highest ranking official of our organization is fully committed to quality."* is not reasonably supported (even though it may be factual) because it does not permit meaningful feedback. However, "reasonably supported" should not be taken to mean considerable detail, since applicants are given only 50 pages in which to address a wide range of issues throughout the entire organization.

c. Setting the 50 percent point

Some Examiners take the 50 percent point to mean excellence, covering all activities under the scope of an Item. This approach compresses the measurement scale, virtually eliminating higher scoring ranges. This would limit the differentiation among applicants, despite real differences. Though the 50 percent point reflects systems and results of organizations with functioning performance management systems, it does not mean full deployment, maturity, and refinement of all these systems.

d. Using the Areas to Address and Item Notes as a "checklist"

Some Examiners appear to expect applicants to address fully every individual point in the Items, even though many such points are included to illustrate the meaning of the Criteria. This approach generally results in scores that are too low and feedback that lacks relevance. Again, it is important to remember that the page limit may prevent applicants from furnishing full details included or implied within an Item. The most effective scoring and the most useful feedback derive from analysis of how well the applicants address the basic objectives of the Items. Applicants that provide more complete information, demonstrate effective, systematic approaches to the overall requirements of the Items, and achieve positive results from their efforts clearly merit further review—consensus review and, if applicable, site visit review. At these later stages of review, the finer points of performance management systems may be explored.

e. Treatment of missing information

Examiners are asked to note significant missing information with a minus sign (-). This designation is intended to reinforce the concept that significant missing information must be treated as having a negative impact on scoring and result in an OFI in the scorebook. If the applicant reaches Stage 3, Site Visit Review, the Site Visit Team will request to see any missing information. This information, if available, should have a positive impact on Item scoring and result in a modification to the potential OFIs in the scorebook. The degree to which missing information negatively affects an Item score should be based upon how important the Area to Address is for the success of the organization, considering the applicant's operating environment and KFs.

12. When is it appropriate to designate a strength with a double plus (++) or an OFI with a double minus (– –)?

These designations should be used (1) when the observation has a major influence on the Item score and/or (2) when the observation is of particular significance to the applicant's performance management system.

6.0 Stage 1, Independent Review

Overview

Independent review is the first stage of evaluation of applicants for the Malcolm Baldrige National Quality Award. All Examiners participate in Stage 1. During Stage 1, each application is reviewed by a group of Examiners, each working independently. Each Examiner reads the application, writes comments about strengths and OFIs in the scorebook, and scores the applicant's response to each Item against the Criteria. The results from the independent reviews are consolidated and provide (1) the basis for the decisions of the Panel of Judges regarding which applicants proceed to Stage 2, Consensus Review, and (2) the basis for the feedback reports for those applicants that do not proceed to Stage 2.

Assignment of Examiners

NIST assigns Examiners to read, evaluate, and score the applications after each application has been processed. Examiners receive applications to review during a three- to six-week period. Assignment of Stage 1 Examiners is designed to provide the fairest, most competent evaluation of each application. Examiners are assigned to applications on the basis of their knowledge and experience, consistent with the requirements to avoid conflicts of interest, to apportion the application load equitably, and to adhere to agreed-upon schedules.

Independent Review Process

The written applications are reviewed independently by the Examiners/Senior Examiners. Full details on scorebook preparation are contained in the *Scorebook for Business, Education, and Health Care*. Briefly, in Stage 1, the Examiners/Senior Examiners ***must*** do the following:

- Read the entire application, review the Organizational Profile, record the Key Factors, and capture high level impressions. Prepare a first draft of Key Themes if it will add value to the final scorebook.
- Prepare Item Worksheets for each Item by reading the appropriate Criteria for the Item, reading the applicant's response for the Item, and recording the four to six most relevant KFs for the Item.
- Prepare comments for the strengths, the OFIs, and the percent score (in 5 percent increments) for the Item. Use an iterative process to draft and refine comments and to assign scores. Ensure that the scoring range selected reflects the written comments and that the comments are crafted in language derived from the Scoring Guidelines and the Criteria. See Section 5.0 of this Handbook, "Scoring System."
- Finalize the scorebook worksheets (Key Factors, Key Themes, Item, and Score Summary Worksheets), the Conflict of Interest Statement, Code of Ethical Standards Statement, and the Checklist. The scorebook contains further information on how to complete the various worksheets.
- Send by the assigned deadline the original completed scorebook in paper and on diskette to the address provided.
- Write a final scorebook, if assigned, for applications not forwarded for consensus review. (Prior to writing the final scorebook, the scorebook writer[s] will receive the other Examiners' Stage 1 scorebooks.)

At the end of Stage 1, the Judges select the applications to proceed to Stage 2, Consensus Review, based on the combination of scores and scoring profiles. In deciding which applicants warrant a consensus review, the Judges consider applicants in each of the five Award categories (manufacturing, service, small business, education, and health care) separately.

Applicants and Examiners are identified to the Judges by a code number only. The Judges review the scoring profile of each applicant, which includes the Item scores (in graph and table form) from each Examiner assigned to evaluate that applicant, and then vote on whether or not an applicant will be included in Stage 2. Applicants are considered in order from lowest to highest in median score. Once it is decided that an applicant will receive a consensus review, all higher-scoring applicants in the same category also proceed to Stage 2. For further information on the judging process, see Section 11.0 of this Handbook.

If an applicant is not selected for consensus review, the written comments developed by the individual Examiners are used by a designated scorebook writer to prepare the final scorebook. The final scorebook is then converted to a feedback report. The feedback system is described in Section 10.0 of this Handbook.

Frequently Asked Questions About Stage 1, Independent Review

1. **What happens if an Examiner has a conflict of interest with the assigned applicant?**
   Every effort is made to identify conflicts of interest before assignments are made. Examiners should open each assigned application ***immediately*** upon receipt to scan the application for any real or perceived conflict, particularly with the applicant's customers, competitors, and suppliers. If a potential conflict is discovered, the Examiner should call NIST and verify whether a conflict exists. After discussion, if it is agreed that a conflict exists, the application must be returned as

instructed. Immediate identification of a conflict allows NIST to quickly reassign the application and still allows for a timely review by another Examiner.

2. **How long does it take to complete the evaluation and scoring of an application?**
   Examiners report that on average it takes 35 to 50 hours to read an application, write comments for the strengths and OFIs, determine an appropriate score for each Item, and complete the additional worksheets in the scorebook. The Stage 1, Independent Review, process occurs from June through August; however, Examiner evaluation of the application takes place from mid-June through early July.

3. **Is it better to write comments for an Item first or to select a score for the Item first?**
   It is better to write comments first as comments form the basis for the score. Delineation of the strengths and OFIs related to the Criteria requirements, KFs, key strategies, and action plans provides the information to determine in which part of a particular scoring range the applicant's response to an Item falls. Writing comments before scoring helps to ensure that each Item's score is based on its specific merits, rather than on an overall perception of the applicant carried over from other Items.

4. **Should the Stage 1 scorebook include site visit issues?**
   No. Site visit issues are not recorded until the planning phase in preparation for site visit.

5. **Is it necessary to word process the comments in the scorebook, and is the scorebook available electronically or on diskette?**
   It is strongly recommended that comments be word processed using the *Scorebook for Business, Education, and Health Care* to support the scorebook writer's task. NIST has made the scorebook available on the Baldrige Web site at www.baldrige.nist.gov.

Note: **<u>The Examiner must be the only one who does the word processing of a scorebook</u>, since the application and the scorebook are confidential.**

6. **How many applications will each Examiner review?**
   The number of reviews per Examiner depends on the number of Examiners on the Board and the number of Award applications received. Over the last several years, the number of applications reviewed annually by each Examiner has ranged from one to three over the course of the entire Award process cycle.

7. **What should Examiners do if they are unable to complete the application review by the due date?**
   Occasionally, unexpected circumstances interfere with the completion of an application review by the due date. **As soon as Examiners realize that they cannot meet the due date, they should notify NIST so that appropriate alternatives can be developed to ensure a timely review. Inability to submit a Stage 1 scorebook will eliminate an Examiner from participating in Stages 2 and 3.**

8. **When should materials be returned?**
   Upon completing the application review, Examiners should return scorebooks as instructed and no later than the due date. Examiners should keep the application and any other materials until they are requested to return these documents. These materials may be needed if the applicant is selected for the next review stage.

9. **If an Examiner is not assigned to the Stage 2 Consensus Team for an applicant, what happens to the scorebook that the Examiner prepared?**
   All Stage 1 scorebooks are used if an applicant is selected for Stage 2, Consensus Review. In particular, the comments are reviewed by all assigned team members to identify significant findings and any rationale for differences in scoring. If an applicant is not selected for consensus review, all Stage 1 scorebooks are used to prepare the final scorebook that is the basis for the applicant's feedback report.

10. **How much detail should be provided in a written comment?**
    A comment that is useful to the applicant will be "actionable" without being prescriptive or judgmental and have enough information for the applicant to begin improvements based on the comment. A useful comment will include what is relevant and central to the Criteria and important to the applicant and will draw the linkages between Categories. It will be specific, referring to examples from the applicant's Organizational Profile, key strategies and action plans, and the Item response.

    The following are two examples of effective comments.

    + The applicant uses the annual Student Services Design Process (Figure 6.2-2) to determine student service requirements and to incorporate these requirements into the design and delivery of student services. Key aspects of the process include using customized stakeholder surveys, balancing stakeholder needs against the organizational mission and priorities, and considering the critical stakeholder requirements in each step of the design process.

    - Although the applicant uses a systematic strategy development process (Strategic Planning Process, Figure 2.1-1) to develop short-term plans and objectives, there does not appear to be a longer-term planning process that considers longer-term considerations such as market changes, customer requirements, and competitive environment or that develops longer-term strategic plans and objectives.

Independent Review: DOs and DON'Ts

- *Do* maintain confidentiality regarding all information about the application.
- *Do* open the application immediately to scan for conflict(s) of interest. Call NIST to verify if a conflict exists.
- *Do* allow adequate time (at least 35–50 hours) to provide a thorough review of all seven Categories and to complete all worksheets.
- *Do* notify NIST as soon as possible if completing the review on time is not feasible.
- *Do* review the case study scorebook for a sample of acceptable written comments.
- *Do* use the detailed "Recommended Process for Evaluating Applications and Completing Scorebooks" contained in the *Scorebook for Business, Education, and Health Care.*
- *Do* write comments on the applicant's strengths and OFIs for an Item before scoring the Item.
- *Do* ensure that comments address the basic objectives of the Criteria for the Category and Item and that they are actionable.
- *Do* refer to the Scoring Guidelines to determine an appropriate score for each Item.
- *Do* use the *Scorebook for Business, Education, and Health Care* and prepare all scorebook worksheets, so other Examiners will be able to use the comments for consensus review.
- *Do* return the completed scorebook to the address provided by the assigned deadline.
- *Do* return the application and all evaluation materials when requested by ASQ.
- *Don't* discuss the application or scoring with other Examiners, the applicant, or anyone else.
- *Don't* return unscored applications without notifying NIST.
- *Don't* make prescriptive, predictive, or judgmental comments in the Scorebook.
- *Don't* make copies of the application.
- *Don't* delegate word processing of the scorebook to another person.
- *Don't* use the applicant's name in comments.

7.0 Stage 2, Consensus Review

Overview

Applicants selected by the Panel of Judges for further evaluation move to Stage 2, Consensus Review. The purpose of Stage 2 is to clarify and resolve differences in individual Examiner observations and scoring from Stage 1, Independent Review. During this stage, a team of Examiners reaches consensus on key themes, KFs, comments that capture the team's collective view of the applicant's strengths and OFIs, and the resulting score. The consensus scores and scoring profiles are used by the Panel of Judges in selecting applicants to be site visited. If an applicant is not selected for a site visit, the team's comments are used for the final scorebook. The final scorebook is the basis for the feedback report to the applicant.

Composition of the Consensus Team

A Consensus Team consists of a combination of Examiners and Senior Examiners. Whenever possible, team members are selected from Examiners who completed the Stage 1, Independent Review, of the application. Team leaders are selected from Senior Examiners who have received additional training on the Award's purposes and processes.

Consensus Review Process

Consensus is an agreed-upon decision on a scorebook comment and numerical score, based upon the contributions of ***all*** team members. NIST will assign two Senior Examiners to serve as team leader and backup team leader. The team leader will create a schedule for and coordinate all tasks associated with the team's successful completion of the consensus review process for its applicant. The Consensus Team, via conference calls, reaches consensus on comments synthesized from the Stage 1 scorebooks and arrives at a consensus score for each Criteria Item. As a member of the team, the scorebook editor prepares a consensus scorebook using the work of the Consensus Team. The consensus scorebook is used as the basis for the feedback report for applicants dropping out at Stage 2. It is also the basis for site visit planning for applicants going on to Stage 3.

The key steps in the consensus review process for Examiners are as follows:

- Receive assignment to a Consensus Team.
- Complete planning/prework.
  - Review all Stage 1 scorebooks.
  - Draft the Key Factors Worksheet and the Key Themes Worksheet.
  - Develop draft Item Worksheets for the assigned Items (including proposed comments and score), complete any other assignments, and distribute to other team members and NIST.
  - Serve as Item backup as assigned.
  - Review all draft Item Worksheets and assignments prepared by other team members before the consensus call(s).
- Plan the discussion order of the consensus conference call(s).
- Conduct the conference call(s).
  - Lead discussion on assigned Items.
  - Finalize the Key Factors Worksheet and the Key Themes Worksheet.
  - Perform other roles as assigned.
- Complete consensus call follow-up tasks.
  - Revise the assigned Item Worksheets to reflect discussion on the consensus call(s) and forward to the team leader and scorebook editor.
- Prepare peer reviews of Stage 1 scorebooks and forward to NIST.
- Prepare and submit the final consensus scorebook, if assigned.
- Review consensus scores/scoring profiles and selection of applicants for site visit review by the Panel of Judges.

Note: Examiners selected for Consensus Teams will receive detailed instructions on each step of the consensus review prior to beginning the process.

Conducting the Consensus Call

Determining Consensus Comments and Consensus Scores

- The team discusses Criteria requirements and KFs for each specific Item.
- The team discusses the applicant Item by Item, noting KFs and key themes. The team discusses the comments on the draft Item Worksheets prepared by the Category/Item leader. The discussion focuses on how to tailor the individual comments so they will provide usable information to the applicant. Divergent views are discussed and resolved by going back to the application, KFs, Criteria requirements, and Scoring Guidelines. The team identifies important Criteria requirements that are not already addressed in the draft comments and develops comments representing its view of the applicant on these issues.
- The team reaches consensus on the Item comments, ensuring that all comments represent the team's commonly held view of the applicant's strengths and OFIs as each relates to the main objectives of the Criteria for the Item.

- Using the Scoring Guidelines, the assigned Category/Item discussion leader will propose a scoring range and then a consensus Item score aligned with the agreed-upon comments. Team members are polled to determine agreement with the proposed range and the score.
- If consensus cannot be reached and the difference in proposed consensus scores among team members participating on the call is 30 percent or less, the average (arithmetic mean) of the proposed consensus scores of team members participating in the conference call may be used.
- The team discusses and agrees upon the key themes resulting from the application review.

Frequently Asked Questions About Stage 2, Consensus Review

1. How many Examiners will participate in Stage 2?

Generally, one-half to two-thirds of the Examiners who complete a Stage 1 review will receive a Consensus Team assignment for that applicant, providing the applicant moves forward in the review process. But should there be an opening on a Consensus Team, an Examiner from Stage 1 whose applicant did not move forward could be asked to fill the opening. The Examiner is then required to complete the Key Themes Worksheet for this applicant in order to participate in the consensus review.

2. Can the draft Item Worksheets be faxed to other team members?

Yes. Consensus work documents may be faxed; however, all communications should meet confidentiality requirements. (See pages 3-3 through 3-4, Rules of Conduct and Code of Ethical Standards.) The applicant should be referred to by number only. Recipients of the faxed document should be called first so they can protect confidentiality by receiving the document personally.

3. When are conference calls typically scheduled?

Examiners are notified of the consensus calendar during the Examiner Preparation Course and are encouraged to plan their schedules to allow for participation on a Consensus Team. Scheduling the conference calls can be one of the most difficult parts of the consensus review. Therefore, Examiners are asked to clear their calendars during the assigned times in order to be available to participate in the scheduled calls. It is important to be flexible. Most calls take place during normal business hours. Some teams find evenings and weekends to be the only time they can schedule the calls. It is not unusual for team members to participate on consensus calls during business travel or vacation leave.

4. What if an Examiner cannot be there for part of the conference call?

It is critical that ***all*** team members participate in the consensus review process. It is essential that each team member participate in the ***entire*** conference call. Team members should contact the team leader immediately if a problem arises with the proposed schedule. If schedules change and an Examiner must step away from the call, the team leader will have to reschedule the call to allow for the full participation of that team member.

5. Can electronic mail be used to forward draft Item Worksheets to other team members?

No. Electronic mail via the Internet is not a secure means of communication for the purpose of applicant review and should not be used. Instead, use overnight mail or a secure fax. The use of cellular and cordless telephones for consensus calls is also not a secure means of communication and, thus, is not permitted. Although there are methods to secure these communications, there are no guarantees.

6. Can secretaries, family members, or anyone else help prepare and transmit consensus review documents?

No. Secretaries and other persons should not prepare, copy, or transmit confidential consensus review documents. Examiners are solely responsible for all the materials and information.

7. What are the time commitments required for participating in the consensus review process?

The consensus review process occurs from mid-August through mid-September. It is estimated that 20–27 hours will be required: 2–3 hours for the planning call, 12–16 hours in preparation prior to the consensus calls, 10–12 hours for the consensus calls, and 2–3 hours after the calls to rewrite the draft Item Worksheets and other consensus scorebook documents.

Consensus Review: DOs and DON'Ts

- *Do* be flexible during call scheduling.
- *Do* prepare. It is essential that each team member fully prepare **prior** to the conference call. Complete the draft Item Worksheets by considering the comments from all scorebooks and synthesizing the information into the most significant four to six KFs for the related Item, and six to ten comments most important to the applicant and respond to the main points of the Criteria. **Preparation for the call generally takes more time than the call itself.**
- *Do* distribute the draft Item Worksheets to other team members and NIST in advance to enhance the efficiency and effectiveness of the consensus conference call.
- *Do* review all draft Item Worksheets prepared by other team members prior to the call. Be prepared to discuss.
- *Do* review the draft Key Factors Worksheet and Key Themes Worksheet prepared by the scorebook editor prior to the call. Be prepared to discuss.
- *Do* meet deadlines and connect to the conference calls on time.
- *Do* have the necessary materials at hand: the appropriate Criteria, the application, the Scoring Guidelines, all Stage 1 Scorebooks, and the draft Key Factors, Key Themes, and Item Worksheets from other team members.
- *Do* participate in the conference call.
  - Listen to all points of view presented, including those of Examiners who prepared independent reviews but are not members of the Consensus Team.
  - Provide your point of view.
  - Focus on discussing the substance of the comments, the Criteria, and the Scoring Guidelines, and then align the score with the comments.
- *Do* revise the Key Factors Worksheet and Key Themes Worksheet based on the conference call discussion.
- *Do* provide all written work in accordance with the team leader's instructions.
- *Don't* focus solely on numerical scores.
- *Don't* isolate or polarize team members who have differing views.
- *Don't* become defensive about your scores from the independent review. Remember, one of the outcomes of Stage 2 is a score that reflects the entire team's collective evaluation.
- *Don't* ask other team members to justify high/low scores from the independent review.

8.0 Stage 3, Site Visit Review

Overview

The site visit is Stage 3 of the evaluation of applications for the Malcolm Baldrige National Quality Award. Applicants that receive a site visit are selected by the Panel of Judges at the end of Stage 2, Consensus Review. The purpose of the site visit is to *clarify* uncertain points in the application and to *verify* that the information presented by the applicant is correct. Prior to the site visit, the team leader (in conjunction with team members) must do extensive preplanning, most of which is conducted by telephone, fax, and mail. Estimated time required is shown on page 3-1. The site visit includes visits by the Site Visit Team to one or more of the applicant's locations. At the start of the site visit, all team members meet off site to finalize strategies, procedures, and assignments. To conclude the site visit process, the team meets off site again to complete the site visit scorebook. The site visit scorebook is submitted to the Panel of Judges and forms the basis for the Panel's decision whether or not to recommend the applicant for the Award. It is also the basis of the feedback report for the applicant.

Composition of the Site Visit Team

The Site Visit Team consists of six to eight members of the Board of Examiners. The number of board members on the team depends on the size of the applicant and the anticipated complexity of the site visit.

The team includes at least two Senior Examiners: one serves as team leader, the other serves as the backup team leader. Whenever possible, Examiners who participated in the consensus review are assigned to the Site Visit Team. Additional team members are selected on the basis of experience, industry knowledge, and availability. Also participating in the site visit is a NIST monitor. The NIST monitor does not take part in the evaluation process but helps to ensure that a consistent review process is followed for all site visits.

Site Visit Planning

1. Notification of Applicant

After the Panel of Judges selects applicants for Stage 3, Site Visit Review, NIST notifies the applicants, ASQ, and the team leader.

After notification by NIST, the team leader calls the applicant's Official Contact Point (OCP). The team leader explains the purpose of the site visit and the expectations of the applicant and of the Site Visit Team.

2. Initial Preparation for the Site Visit

ASQ sends initial instructions to the Site Visit Team members, along with logistical information and evaluation materials. The team leader works with the NIST monitor, ASQ, team members, and the applicant's OCP to establish the agenda of the site visit, the logistics and length of the visit, and the start and finish dates. The team leader drafts a tentative plan (e.g., agenda, list of site visit issues to resolve, thoughts on a methodology for approaching the site visit, and distribution of Category/Item assignments among team members), discusses the plan with the backup team leader and the NIST monitor, and sends the plan to the Site Visit Team.

Examiners individually review the evaluation materials, start the development of Site Visit Issue Worksheets, exchange Site Visit Issue Worksheets with other team members and the NIST monitor, review site visit issues for assigned backup Items, and perform tasks requested by the team leader. The team leader helps the team finalize the key issues for clarification and verification and the strategies for addressing the issues. The team ensures that a plan is in place to address adequately all key issues.

The team leader maintains regular, direct contact with the applicant's OCP to keep the applicant apprised of the site visit plans, answer any questions about the evaluation process, and obtain any additional information needed to prepare for the site visit. The team leader provides samples of site visit issues to the applicant's OCP.

3. Final Planning Meeting

The Site Visit Team holds a final planning meeting at a hotel located near the applicant. The purpose of the meeting is to finalize the strategy, agenda, interview schedule, and Site Visit Issue Worksheets that address the issues the team will clarify and/or verify. The team will also develop a list of documents to review and interviews to conduct so the applicant can be notified of these needs early in the site visit. The team will review and discuss Examiner professionalism.

Site Visit Execution

1. Conducting the Site Visit

The site visit begins with a one-hour opening meeting with the applicant at the applicant's headquarters, during which the team leader makes introductory remarks and introduces the Site Visit Team members. The team leader presents a brief overview of the Baldrige Award and site visit process and procedures, using visuals provided by NIST. The applicant then welcomes the team, introduces its representatives, and presents other material as it chooses.

Team members meet with applicant representatives and pursue the specific Items or issues to which the team members have been assigned. The team members will provide a list of needed documents and request updated graphs, charts, or data. Team members identify and schedule activities or individuals to be seen. The Site Visit Team meets as necessary during the time on site to assess how the chosen approaches are working and to alter plans as appropriate.

When the team leader and all team members are satisfied that all issues have been clarified or verified as needed, the team closes the site visit by holding a brief closing meeting with appropriate representatives of the organization. The team leader explains the next steps in the process using visuals provided by NIST, including preparation of the site visit scorebook and the decision-making process used by the Panel of Judges; thanks the applicant for the hospitality shown to the Examiners; and commends the applicant for being selected for the site visit. The applicant also provides brief closing remarks. The NIST site visit monitor ensures that arrangements are set for returning applicant materials after the site visit scorebook is completed. After the meeting concludes, the team returns to the hotel to complete the site visit scorebook.

2. ***Completion of the Site Visit Scorebook***

The site visit scorebook is based on the content of the consensus scorebook and updated with the findings from the site visit. It builds from the consensus scorebook to the Site Visit Issue Worksheets, the Item Worksheets, and the Key Themes Worksheet. Each worksheet provides the foundation for the findings of the next worksheet. These materials, combined with the completed site visit scorebook, provide the Judges with an audit trail of the results of the site visit for use in making Award recipient recommendations.

The Site Visit Team finalizes the Site Visit Issue Worksheets, recording findings for each site visit issue. Team members update strengths and OFIs for each Item on the specified Item Worksheet. All team members are responsible for providing information pertinent to site visit findings to the designated scorebook editor. The team prepares a Summary of Sites Visited, updates the KFs, and completes the Key Themes Worksheet and the scoring revisions on the Score Summary Worksheet. The team reviews and modifies, if necessary, all worksheets and summaries prior to signing the Signature Statement page of the site visit scorebook. **The entire site visit scorebook must be finished before the team members officially conclude the site visit.**

At the conclusion of the site visit, an original paper copy of the site visit scorebook is printed for NIST. Four disk copies of the site visit scorebook are made—one each for NIST, the team leader, the backup team leader, and ASQ. The NIST monitor forwards a disk and paper copy to ASQ, along with a paper copy of the signature page.

Computer Use

Site Visit Team members are expected to bring portable laptop computers on the site visit to use in completing their work and preparing the final site visit scorebook. At the beginning of the site visit stage, the team will discuss computer use and identify computer requirements to ensure coordination and compatibility. Electronic files containing Award evaluations must be treated with the same degree of security as paper copies of Award materials. In preparing for a site visit, electronic files with Award evaluation materials may ***not*** be sent over the Internet or by e-mail because of the difficulty in securing these communications.

On the site visit, Examiners may use their computers in their hotel rooms or the team conference room at the hotel. However, Examiners may not take their computers to the applicant's facilities. Examiners may not use the applicant's computers to prepare the site visit scorebook or to extract or retrieve data in response to a site visit issue.

When the site visit scorebook is complete, a copy of the electronic files for each section is provided to the team leader and/or scorebook editor to use in preparing the final site visit scorebook. All electronic files must then be removed from each Examiner's hard disk and/or diskettes (including any backup files the word processor or computer system may have created). Diskettes must be reformatted so that information cannot be retrieved using software recovery programs.

Frequently Asked Questions About Stage 3, Site Visit Review

1. What will the team leader ask Examiners to do to prepare for the site visit?

Examiners will be asked to provide their

- expertise and preferences for Item assignments
- copies of their draft Site Visit Issue Worksheets
- suggestions, based on the site visit issues, for whom to interview, which sites to visit, what strategies and approaches to use, and for agenda items
- type of computer and software they will bring to the site visit
- travel, arrival, and departure plans

2. How many days will the site visit take?

The time needed for the site visit review process includes preparation time at the Examiner's home location, pre-site visit telephone calls, a one-day planning meeting at a hotel near the headquarters location of the applicant, two to four days at the applicant's site, and two to three days to write the site visit scorebook. The size and complexity of the applicant will influence the length of time spent at the site. Generally, Examiners can expect to spend six to seven days *at a site visit* in addition to the preparation time.

3. How are site visit issues reviewed and prioritized?

Examiners complete Site Visit Issue Worksheets for their assigned Categories and Items. Each Site Visit Issue Worksheet contains one issue. The issues are based on the need to clarify or verify strengths or OFIs listed in the consensus scorebook. Since the site visit is not an audit, Examiners are encouraged to be selective in the issues to be clarified or verified. Category/Item leads and backup partners review each other's Site Visit Issue Worksheets prior to the planning meeting, which usually occurs the Sunday before going on site. At the planning meeting, the team prioritizes and assigns the issues to the appropriate Examiners. The selection of issues or questions for clarification and/or verification during the site visit is crucial to an effective site visit.

Characteristics of a well-chosen site visit issue include the following:

- **It is an essential component of the score.** It focuses on factors that are important for the applicant, even if it is not important for all organizations. It may be one of the significant strengths or OFIs that requires verification (often the extent of deployment) and was identified at earlier stages of review, or it may be a significant issue for which information in the application is missing or unclear.
- **It is "cross-cutting."** It is the type of issue that affects, directly or indirectly, more than one Criteria Item. Also, it may include the degree to which an aspect of management is integrated throughout the applicant's organization.
- **It is part of the deployment determination.** The degree to which the applicant's approaches are deployed is often difficult to assess from the written application. The degree of deployment is often dependent upon the maturity of the program.
- **It is verifiable.** Acceptable techniques by which the team can get an answer to the issue are examining data sources, interviewing employees, or listening to presentations by the applicant. Unacceptable techniques include (1) interviewing customers, suppliers, or dealers unless they are a part of an official management or advisory structure or are serving as staff for the organization (e.g., customer service contractors); (2) conducting impromptu surveys; and (3) assessing individual customer complaints or student or patient records.

4. How can Site Visit Team members be contacted by their offices or families on the site visit?

In upholding the Rules of Conduct, it is important to maintain the confidentiality of the applicant. Prior to the site visit, Site Visit Team members are provided a contact list that may be shared to facilitate emergency contact. If necessary, the hotel telephone number may be provided for evening contact.

Site Visit Review: DOs and DON'Ts

- *Do* come prepared for a heavy schedule of activity beyond normal work hours. The agenda is full, the schedule hectic, and the environment intense.
- *Do* review the KFs of the applicant, including what issues are important, the size of the organization, and the nature of its markets/operations.
- *Do* plan to stay for the entire site visit, specifically through the completion of the site visit scorebook.
- Before the site visit, *do* ask the team leader to request items or information that will require special preparation by the applicant. Do not wait until the site visit starts to make requests such as
  - The team wants to interview a manager who is physically located at a site other than the one to be visited. The applicant will need to fly the manager in for the site visit or arrange for a telephone conference call.
  - The team will need data that have not been compiled or otherwise pulled together. Gathering the data would require substantial preparation by the applicant.
- *Do* exercise common sense when scenarios arise that you have not encountered previously. Do what makes sense and is consistent with the principles emphasized in this Handbook and reinforced in the Examiner Preparation Course. *Do* discuss issues with your NIST monitor.
- *Do* ask for whatever information is needed to clarify or verify your assigned issues. Ask spontaneous questions. However, be realistic and do not place an undue burden on the applicant by requesting things that are not necessary.
- *Do* adhere to the agenda items, but be flexible. It is vital that the applicant feels the opportunity was available to "tell its story."
- *Do* be alert to any response or lack of response that may affect the Site Visit Team's agenda or approach. Let the team leader know of the findings so a change in the agenda or approach can be considered. However, avoid appearing indecisive by requesting too many changes.
- *Do* be prompt for all appointments.
- *Do* take thorough notes for documenting the findings. Note the kinds of things that will help the applicant via the feedback report and will assist the Judges in understanding the applicant's processes and results.
- *Do* have originators of documents attach business cards or place their names, locations, and phone numbers on the front of all documents.
- *Do* participate in daily meetings and debriefings to share information and impressions, to ensure that all relevant information is obtained, to ask questions of other Examiners about their interviews, and to adjust strategy as needed.
- *Do* make arrangements with the NIST monitor for the return or disposal of all materials after the site visit. All applicant materials must be returned to the applicant. ***All*** notes, drafts, consensus scorebooks, drafts of Site Visit Issue Worksheets, applications, and flip charts must be given to the NIST monitor. All digitally stored material about the site visit must be deleted. (See Section 3.0 of this Handbook for more information about computer practices.)
- *Do* bring your Baldrige name badge and represent yourself as a Baldrige Examiner.
- *Do* wear comfortable clothing appropriate for the types of facilities you will be visiting and the off-site team sessions where discussion and writing occur.

Site Visit Review: DOs and DON'Ts, *continued*

- *Don't* contact the applicant prior to the site visit unless you are the team leader or backup team leader.
- *Don't* depart before the site visit scorebook is finished and signed.
- *Don't* take laptop computers to the applicant's site.
- *Don't* take cameras, video recorders, or cellular phones to the site.
- *Don't* discuss any of the following with the applicant:
  - personal or team observations, findings, conclusions, or decisions, whether in a critical or complimentary way
  - practices of other applicants
  - team observations about other applicants
  - names of or any other information about other applicants
  - your personal or professional qualifications
  - information about your own organization
- *Don't* drink alcohol until the site visit scorebook is completed.
- *Don't* show or give verbal or nonverbal feedback during interviews. Do not let the applicant's representatives know your evaluation of their answers.
- *Don't* interview consultants, customers, or suppliers other than the already identified exceptions under #3 of Frequently Asked Questions on page 8-3.
- *Don't* hold debriefings, meetings, or discussions of the site visit in an open area.
- *Don't* take applicant materials, reports, documentation, etc., off site unless it is essential and the applicant agrees to allow the materials off site.
- *Don't* write on any of the applicant's materials.
- *Don't* leave for home with any of the applicant's materials.
- *Don't* accept gifts of ***any*** sort.
- *Don't* bring family members or friends on site visit trips.
- *Don't* interact with the applicant after leaving the site.

9.0 Recommendation of Award Recipients

At the conclusion of Stage 3, the Panel of Judges reviews the site visit scorebooks and selects applicants to be recommended as Award recipients to the Director of NIST. The Judges consider applicants in each of the five Award categories (manufacturing, service, small business, education, and health care) separately. Judges do not participate in any deliberations on applicants with which they have conflicts of interest. Discussion of the applicant continues until all participating Judges conclude that the case for the applicant has been adequately covered.

Site visit team leaders have a key role to play in the Judges' process of understanding and discussing applicants at the November meeting. Via conference call, the team leader responds to the Judges' questions concerning the Site Visit Team's observations. If the team leader is not available to take the conference call with the Judges, the backup team leader will participate.

In preparation for the conference call, the team leader reviews the site visit scorebook and makes note of any special issues that the team found on the site visit or that the team leader feels are not adequately conveyed in the site visit scorebook. In addition, the team leader prepares to address the following questions:

- Thinking about the questions in the Organizational Profile, did the team have any new insights about the applicant as a result of the site visit?
- What are the most important strengths or outstanding practices (of potential value to other organizations) that the team identified?
- What are the most significant opportunities, concerns, or vulnerabilities that the team identified?
- Considering the applicant's KFs, what are the most significant strengths, vulnerabilities, and/or gaps (data, comparisons, linkages) found in its responses to Results Items?
- If the Site Visit Team recommended a Scoring Band change, the following standardized question will be asked of the team leader: What were the key drivers for the team to place the applicant in a different Scoring Band?

In addition, the team leader prepares to discuss other issues, including any substantive changes made between the presentation of the initial site visit scorebook and the final site visit scorebook.

One Judge serves as "Lead Judge" for each applicant. The Lead Judge does not act as an advocate for the applicant. Instead the Lead Judge summarizes the key issues for the other Judges before the call with the site visit team leader. The Lead Judge begins the call by asking the team leader the questions listed previously, followed by a series of questions specific to the applicant prepared by the Judges, in advance of the call. When the Judges are satisfied that all issues have been addressed, they conclude the call. However, other issues could arise during the Judges' deliberations that may require additional calls to the team leader.

When all issues are resolved, the Judges take an elimination vote. If more than three applicants remain after all the applicants in a particular category have been discussed, additional discussions and elimination votes are held until the applicant pool in the category is reduced to three. When the remaining number of applicants is three or fewer, separate votes are taken to recommend each candidate to be an Award recipient. All Judges with no conflict of interest with the specific applicant can participate in the vote to recommend an Award recipient. The process is repeated for each Award category.

At the conclusion of the meeting, the Chairperson of the Panel of Judges transmits the recommendations for Award recipients to the Director of NIST. See Section 11.0 of this Handbook for further information on the judging process.

10.0 Feedback System

Overview

Each applicant for the Malcolm Baldrige National Quality Award receives a written feedback report. The feedback system is one of the most important components of the evaluation process; it provides a pathway for continuous improvement. The feedback report is the mechanism by which applicants receive the assessment by the Examiners on strengths and OFIs relative to the requirements of the Criteria. Thus, each Examiner is the key to effective feedback. The comments provided in the scorebooks are vital to the production of the feedback report to the ultimate customer—the applicant.

Effective feedback requires (1) a thorough evaluation of the application relative to the Baldrige Criteria, (2) the targeting of key strengths and OFIs for each Item, and (3) the effective communication of those strengths and OFIs to the applicant via the feedback report.

Examiner-prepared final scorebooks are converted to feedback reports by NIST staff. In Stage 1, final scorebooks are prepared by "scorebook writers," who synthesize the comments of the independent Examiner reviewers. Final scorebooks in Stages 2 and 3 are prepared by "scorebook editors," who collect and edit the teams' consensus scorebooks or site visit scorebooks, respectively, and coordinate with the team leaders.

Feedback Report Format

The supplementary material and components of the final scorebook that are the basis for the feedback report are as follows:

- **Introduction**–prepared by NIST, explains the contents of the feedback report and gives a brief description of the application review process.
- **Scoring Band**–prepared by NIST, gives the percentage distribution of applicants' numerical scores during the Stage 1 review of written applications. It contains characteristics typically associated with the specific percentage ranges for applicants, (See next page.) Applicants are told in which scoring band they scored.
- **Key Themes Worksheet**–prepared by the scorebook writers/editors, is two to three pages in length and contains an overall summary of the key points of the evaluation of the applicant. It is an assessment of the applicant's most important strengths, significant OFIs, and key results. The Key Themes Worksheet begins by informing the applicant of the most accurate (or appropriate) overall scoring band for its application.
- **Item Worksheets**–prepared by the scorebook writers/editors, contain comments on each Item of the Criteria. Comments cite the applicant's specific strengths and OFIs at the Item level.
- **Stage 1 feedback reports**–an introductory statement is made indicating the appropriate percentage range of the applicant's score for each Category. For Stages 2 and 3, Item level scoring ranges are provided. Even though scoring is not adjusted following a site visit, statements are added to the feedback report to indicate changes from the consensus review stage.

Scoring Band Descriptors

Band	Band Number	Descriptors
0–275	1	The organization demonstrates early stages of developing and implementing approaches to Category requirements, with deployment lagging and inhibiting progress. Improvement efforts focus on problem solving. A few important results are reported, but they generally lack trend and comparative data.
276–375	2	The organization demonstrates an effective, systematic approach responsive to the basic requirements of the Items, but some areas or work units are in early stages of deployment. The organization has developed a general improvement orientation that is forward-looking. The organization obtains results stemming from its approaches, with some improvements and good performance. The use of comparative and trend data is in the early stages.
376–475	3	The organization demonstrates an effective, systematic approach responsive to the basic requirements of most Items, although there are still areas or work units in early stages of deployment. Key processes are beginning to be systematically evaluated and improved. Results address many areas of importance to the organization's key business requirements, with improvements and/or good performance being achieved. Comparative and trend data are available for some of these important results areas.
476–575	4	The organization demonstrates effective, systematic approaches to the overall requirements of the Items, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement and approaches are being aligned with organizational needs. Results address key customer/stakeholder, market, and process requirements, and they demonstrate some areas of strength and/or good performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the organization's key requirements.
576–675	5	The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of the Items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning that result in improving the effectiveness and efficiency of key processes. Results address most key customer/ stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the organization's key requirements.
676–775	6	The organization demonstrates refined approaches responsive to the multiple requirements of the Items. These approaches are characterized by the use of key measures, good deployment, evidence of innovation, and very good results in most areas. Organizational integration, learning, and sharing are key management tools. Results address many customer/stakeholder, market, process, and action plan requirements. The organization is an industry* leader in some areas.
776–875	7	The organization demonstrates refined approaches responsive to the multiple requirements of the Items. It also demonstrates innovation, excellent deployment, and good-to-excellent performance levels in most areas. Good-to-excellent integration is evident, with organizational analysis, learning, and sharing of best practices as key management strategies. Industry* leadership and some benchmark leadership are demonstrated in results that address most key customer/stakeholder, market, process, and action plan requirements.
876–1000	8	The organization demonstrates outstanding approaches focused on innovation, full deployment, and excellent, sustained performance results. There is excellent integration of approaches with organizational needs. Organizational analysis, learning, and sharing of best practices are pervasive. National and world leadership is demonstrated in results that fully address key customer/stakeholder, market, process, and action plan requirements.

*Industry refers to other organizations performing substantially the same functions, thereby facilitating direct comparisons.

Suggested Steps in Preparing the Final Scorebook/Feedback Report

Final scorebooks are prepared when the Panel of Judges determines at Stage 1 or Stage 2 that an applicant will not proceed to the next stage of the Baldrige process or at the end of Stage 3. NIST staff converts the final scorebooks to feedback reports.

Stage 1 Reports–For each applicant that does not proceed to Stage 2, Consensus Review, a final scorebook is prepared by a scorebook writer and a writing partner. The final scorebook is a synthesis of the scorebook comments prepared by all of the Examiners reading the application during Stage 1, including the scorebook writer. The final scorebook forms the basis for the feedback report. The tasks of the scorebook writer and partner include the following:

- Review **all** scorebook comments and scores from the independent reviews prepared for the applicant, the writing guidelines prepared by NIST, the applicant's scoring profile, and the appropriate Scoring Guidelines.
- Synthesize similar comments that address the applicant's KFs and requirements of the Criteria.
- Eliminate inconsistencies in the comments, terminology, and abbreviations within and among the Key Themes and Item Worksheets as well as comments that focus on relatively unimportant issues.
- Balance the number and weight of the comments to reflect the composite scoring profile of all Examiners who reviewed the written application.
- Complete and send the Final Key Themes Worksheet and Item Worksheets to NIST according to the established directions and schedule. NIST will convert the final scorebook to a feedback report.
- Resolve questions and issues raised by NIST in the feedback report review process.

Stage 2 Reports–The final consensus scorebook for an applicant that does not proceed to Stage 3, Site Visit Review, is prepared by one of the Examiners on the Consensus Team. At Stage 2, the tasks involved in editing a scorebook include the following:

- Participate in the consensus call, clarify issues, and ask for specific examples of points discussed and specific references to graphs/figures (if not indicated by the Item leader). Points noted by one or more team members and agreed to by all should be incorporated into the final consensus scorebook comments.
- Use the Consensus Team's work to prepare a final consensus scorebook that represents a collective view of the Consensus Team during the consensus review stage conference call.
- Eliminate inconsistencies in the comments, terminology, and abbreviations within and among the Key Themes and Item Worksheets.
- Supplement the comments with examples discussed during the consensus call.
- Notify and receive approval from the team leader of modifications or additions to comments or issues the scorebook editor believes were not agreed to during the consensus call but should be included in the final consensus scorebook.
- Complete and send the final consensus scorebook to the team leader according to the established directions and schedule.
- Resolve questions and issues raised by NIST in the feedback report review process.

Stage 3 Reports–The final site visit scorebook for an applicant receiving a site visit is prepared by one of the Examiners on the Site Visit Team. The tasks involved in editing a Stage 3 scorebook include the following:

- Participate in the site visit, clarify issues, and ask for specific examples of points discussed or contained on Site Visit Issue, Item, and Key Themes Worksheets, and ask for specific references to graphs/figures (if not indicated by the Category/Item leader). Points noted by one or more team members and agreed to by all should be incorporated into the final site visit scorebook comments.
- Eliminate inconsistencies in the comments, terminology, and abbreviations within and among the Key Themes and Item Worksheets.
- Supplement the comments with examples discussed during the site visit.
- Eliminate language such as "it is not clear" and "it is not evident" from the text. (Such issues should have been resolved during the site visit.)
- Finalize the scorebook during site visit and receive approval from all team members
- Provide the final site visit scorebook to the NIST monitor and/or the team leader according to the established directions and schedule.

Frequently Asked Questions About Preparing Final Scorebooks

1. How long does it take to prepare a final scorebook?

Writers report that it takes between 30 and 40 hours to complete a final scorebook. Stages 2 and 3 scorebooks are team products but do require additional time by the scorebook editors.

2. How many comments should there be for each Item Worksheet of the final scorebook?

Based on the instructions in the *Scorebook for Business, Education, and Health Care*, there are generally six to ten comments that cover the main points of each Item. Each comment usually consists of one to three declarative sentences that capture a key point of the Criteria Item. The comments are distributed between strengths and OFIs so that they reflect the Item score. In general, for scores around 50 percent of the possible points, comments tend to be fairly evenly divided between strengths and OFIs. Lower scoring Items typically have more comments under OFIs than strengths, while higher scoring Items typically have more strengths than OFIs.

3. Will Examiners be penalized if they decline to prepare a final scorebook or if they produce a final scorebook that is not very good?

No. However, the Award Program operates well only if Examiners are willing to take on a number of tasks above and beyond the evaluation of applications. Such tasks include the preparation of final scorebooks. Therefore, if you are asked to prepare a final scorebook, the Award Program hopes you will accept the task. However, it is understood that other demands may prevent Examiners from preparing final scorebooks. It is also understood that some Examiners' strengths lie in areas other than scorebook writing and editing.

4. What guidance will Examiners receive if they agree to prepare a final scorebook?

Scorebook writers at all three stages receive detailed instructions and a resource packet containing the scoring guidelines for the applicant's sector and materials to help with the writing process. Additionally, Stage 1 scorebook writers are assigned writing partners–Alumni or Senior Examiners–with experience in writing scorebooks. Finally, members of the Award Process Team in the Baldrige Program Office are available to answer questions.

5. Must a specific word processor be used to prepare a final scorebook?

Scorebook writers/editors receive a report template both in paper copy and on computer diskettes to show desired formatting. Examiners are expected to provide their work to NIST in an electronic format. Prepare the final scorebook using the report template.

6. How must Examiners protect computer files?

To protect the confidentiality of the applicant, all computer files/diskettes must be secure. When notified that the feedback report has been sent to the applicant, the writer/editor will be asked to delete all computer files relating to the applicant, including the final scorebook, and to return all paper materials to ASQ.

11.0 Selection Procedures Used by the Panel of Judges

Selection of Applicants for Stage 2, Consensus Review

1. Separate lists for each of the five Award categories (manufacturing, service, small business, education, and health care) are provided to the Panel of Judges for all applicants in *decreasing* order of score. The score used for the listing is the median of the scores of the Examiners who evaluated the application. Examiners and applicants are identified by a code number only. All of the scores from the Stage 1 review are given for each applicant. Various tables and graphs displaying the data are provided to each member of the Panel of Judges.
2. The process of selecting applicants for consensus review begins by examining the scoring data for the lowest scoring applicant in a specific Award category.
3. If the Judges require more than scoring information about the applicant, NIST answers their questions without revealing the organization's name or other information that could identify the applicant.
4. When the Judges are satisfied that they have sufficient information, they vote on the question of whether or not the applicant should receive a consensus review. A majority vote decides.
5. If the Judges vote "no," that applicant will not be included in the consensus review. The Judges will then consider the next higher-scoring candidate.
6. If the Judges vote "yes," that applicant and all those who scored higher will be forwarded for consensus review.
7. The above process is conducted separately for each of the five Award categories.

Selection of Applicants for Stage 3, Site Visit Review

1. Lists of the applicants are provided for each of the five Award categories in *decreasing* order of consensus score. Applicants are identified by code number only. The consensus scores and all of the individual Examiner scores are given for each applicant. Various tables and graphs displaying the data are provided.
2. The process of selecting applicants for a site visit review begins by examining the scoring data for the lowest scoring applicant in a specific Award category.
3. If the Judges require more than scoring information about the applicant, NIST answers their questions without revealing the organization's name or other information that could identify the applicant.
4. When the Judges are satisfied that they have sufficient information, they vote on the question of whether or not the applicant should receive a site visit. A majority vote decides.
5. If the Judges vote "no," the review process is repeated for the next higher-scoring candidate.
6. If the Judges vote "yes," that applicant and all higher-scoring applicants receive a site visit.
7. The above process is conducted separately for each of the five Award categories.
8. After the applicants are selected for site visits, the Judges learn their identities to ensure they will not have a conflict of interest in the judging process. Judges do not learn the names of the applicants not selected for site visits.

Selection of Recommended Award Recipients

Basic Principles

- Maximum use of discussion/consensus
- Maximum number of Judges participating in consensus and decision making
- Elimination of conflict of interest and appearances of conflict. Conflicts of interest include four major types:
  1. Direct, such as current or recent employment or client or personal relationship
  2. Financial interest
  3. Competitors of organizations for which direct linkages or ownership exists
  4. Category, which refers to a situation where a vote cast for or against applicants not covered under conflicts 1, 2, or 3 could affect the standing of an applicant covered under conflicts 1, 2, or 3
- A Judge may not vote on an applicant if the Judge has not been present for a substantive portion of the discussion on the application.

Procedure

1. Judges come to the recommendation meeting having reviewed the scorebooks of all site-visited organizations, except those for which they have a conflict of interest of types 1, 2, or 3. These Judges do not have information regarding such applications or applicants.
2. All conflicts are reviewed and discussed so that Judges are aware of the limitations on information that will be used to develop recommendations.

3. Applications in each of the five Award categories are discussed separately. Within a category, the applications with the most conflicts by Judges are discussed first. When the application number is announced by NIST, Judges with conflicts of types 1, 2, or 3 must leave the room.

4. Applications are discussed in detail, led by a Judge. Questions are developed for the Site Visit Team leader, and a conference call with the team leader is conducted. Discussion of the application continues until all participating Judges conclude that the review has been adequate.

5. At the conclusion of the discussion, there is an elimination vote on the application. A candidate is eliminated from further consideration only with a unanimous vote by all participating Judges.

6. When the next application number is announced by NIST, the judging body is adjusted in accordance with the conflict of interest criteria used previously; all Judges with type 1, 2, or 3 conflicts with the applicant under discussion leave the room until the discussion and decision making concerning the applicant are completed.

7. After discussions of all applications in an Award category are complete, Judges having no conflicts of any kind convene to discuss and to vote on the remaining applicants. Where more than three applicants remain in one of the five Award categories, each Judge votes to rank order the remaining applicants, 1 through n. For each Judge, 1 point is assigned for a first place vote, 2 points for a second place vote, etc. The applicant receiving the most points is eliminated from further consideration. No information is given on other point scores.

8. When an applicant has been eliminated, Judges who no longer have a conflict join the voting group.

9. The above voting process is carried out in an iterative manner, eliminating one applicant at a time.

10. When the number of applicants has been reduced to three, the process of elimination is completed.

11. All Judges with no conflict with the three remaining applicants can then vote on the final recommendation. There is a separate ballot for each candidate so that each may or may not be recommended as a recipient for the Baldrige Award. Decisions will be made by the following minimum margin of the voting Judges: 7/10, 6/9, 6/8, 5/7, 5/6, 4/5, 3/4, 3/3, 2/2.

Appendix 1

Contact Information for the Award Manager and Award Administrator

Award Manager

Baldrige National Quality Program
National Institute of Standards and Technology
Technology Administration
United States Department of Commerce
Administration Building, Room A600
100 Bureau Drive, Stop 1020
Gaithersburg, MD 20899-1020

Telephone: (301) 975-2036
Fax: (301) 948-3716
E-mail: nqp@nist.gov
Web address: www.baldrige.nist.gov

Award Administrator

American Society for Quality
600 North Plankinton Avenue
P.O. Box 3005
Milwaukee, WI 53201-3005

Telephone: (800) 248-1946
Fax: (414) 272-1734
E-mail: asq@asq.org
Web address: www.asq.org

Appendix 2

Baldrige National Quality Program Information Services

A goal of the Baldrige National Quality Program is to disseminate information related to the Award and Program. Members of the Board of Examiners have provided immeasurable help in achieving this goal. The following list describes materials and further information that typically are provided to Examiners during the Examiner Preparation Course and upon request from BNQP.

- **Presentation Materials**
  Presentation materials with accompanying speakers' notes on the Award, Criteria, and Program are provided on CD-ROM in Microsoft PowerPoint 97. No other software version is available.

- **Portable Exhibit**
  The Baldrige National Quality Program makes available a portable table-top exhibit related to the Program and the Award for use at conferences and workshops. To reserve the table-top exhibit and request materials, please contact Customer Service at (301) 975-2036.

- **Information Materials for Reference or Distribution**
  Available materials include copies of the Criteria, brochures, fact sheets, and Award recipient information. A complete listing of available materials is given to Examiners. Multiple copies of most materials are available upon request.

- **Videos**
  Award Recipients Video—A copy of the most recent Award recipients video (previewed at the annual Quest for Excellence Conference) is provided to all board members during the Examiner Preparation Course. Also available are "A Uniquely Rewarding Experience," a seven-minute videotape about the benefits of being an MBNQA Examiner; "Take the Journey! A Baldrige Invitation to American Small Business," a fifteen-minute video featuring the leaders of the Small Business Award recipients; and "A Journey Worth Beginning," an eleven-minute video addressing the value of applying for the Award.

- **Update Newsletter**
  The *Update* newsletter keeps members of the Board of Examiners informed about the status of the Baldrige National Quality Program, plans, and key people involved. It also provides the latest information on issues related to application review. Issues of *Update* are posted on the Baldrige Web site, and distribution occurs via e-mail with a link directly to the newsletter. Other recent issues of *Update* are archived on the Web site as well. If you are not receiving this newsletter, please notify Janet Juras at janet.juras@nist.gov and provide your latest e-mail address, mailing address, and phone number.

- **Other Quality Award Program Information**
  State and Local Quality Awards–A directory of more than 50 state and local quality award programs, including contact and program information, is available.

  International and Regional Quality Awards–A list of more than 40 international and regional quality awards, including contact information, is also available.

- **Baldrige Web Site**
  Many Baldrige National Quality Program materials are available on our Web site at **www.baldrige.nist.gov**. These materials include

  - *Criteria for Performance Excellence* (Business, Education, and Health Care) Booklets
  - *Baldrige Award Application Forms* Booklet
  - *Scorebook for Business, Education, and Health Care*
  - *Getting Started with the Baldrige National Quality Program* Brochure
  - E-Baldrige Organizational Profile
  - Case Study Packets
  - *Are We Making Progress?* (available in English and Spanish)
  - *Are We Making Progress as Leaders?*
  - *Why Apply?* Brochure
  - Award Process Information and Key Dates
  - Latest Press Releases on the Baldrige National Quality Program

For more information, contact the Baldrige National Quality Program by phone at (301) 975-2036 or by e-mail at **nqp@nist.gov**.

Appendix 3

Index of Key Terms

The Malcolm Baldrige National Quality Award and Its Impacts

The Malcolm Baldrige National Quality Award was created by Public Law 100-107, signed into law on August 20, 1987. Public Law 100-107 led to the creation of a new public-private partnership. Principal support for the program comes from the Foundation for the Malcolm Baldrige National Quality Award, established in 1988.

The Award is named for Malcolm Baldrige, who served as Secretary of Commerce from 1981 until his death in 1987. His managerial excellence contributed to long-term improvement in efficiency and effectiveness of government.

On August 20, 1987, President Ronald Reagan signed the "Malcolm Baldrige National Quality Improvement Act of 1987," establishing a program that many credit with making quality a national priority and helping to revitalize the U.S. economy during the 1990s. Today, the Baldrige National Quality Program and the Baldrige Award recipients are imitated and admired worldwide. More than 43 states and many countries, including Japan, have programs modeled after Baldrige. In particular, the Baldrige Criteria for Performance Excellence are widely used as an assessment and improvement tool. Millions of print and electronic copies of the Criteria have been distributed. In 1999, categories for education and health care were added to the original three categories: manufacturing, service, and small business. Impacts of the Program have been far reaching:

- Since the Baldrige Program began until 2003 there have been 939 applicants for the Malcolm Baldrige National Quality Award. These applications have received vigorous evaluations by the Board of Examiners using the Criteria for Performance Excellence.
- Through 2003, 58 Award recipients have been selected across five categories: 24 manufacturing companies, 13 service companies, 14 small businesses, 4 education organizations, and 3 health care organizations.
- As of June 2003 there were 52 active state and local quality award programs in 43 states. All 52 programs are modeled to some degree after the Baldrige National Quality Program, and their award criteria are based on the Criteria for Performance Excellence.
- From 1996 to 2003, 25 of the 34 Baldrige Award Recipients were previous winners in state award programs.
- Since 1991, there have been more than 7,000 applications for state and local quality awards.
- Over the past 16 years of its existence, the Baldrige Program has trained more than 2,000 Examiners. Since 1991, the state and local programs have trained more than 21,000 Examiners.
- The Award recipients have presented to tens of thousands of organizations at conferences worldwide. For example, Operations Management International, Inc. (OMI), an international service business with 1,400 employees, has made presentations to more the 17,000 people since becoming an Award recipient in November 2000. Branch-Smith Printing Division, a small family-owned business with 68 employees, has given presentations to more than 2,000 people since becoming an Award recipient in November 2002. The Quest for Excellence conferences have reached more than 15,000 attendees over the Program's history.

Baldrige National Quality Program

Baldrige National Quality Program
National Institute of Standards and Technology
Technology Administration
United States Department of Commerce
Administration Building, Room A600
100 Bureau Drive, Stop 1020
Gaithersburg, MD 20899-1020

The National Institute of Standards and Technology is a nonregulatory federal agency within the Commerce Department's Technology Administration. NIST's primary mission is to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life. The Baldrige National Quality Program (BNQP) at NIST is a customer-focused federal change agent that enhances the competitiveness, quality, and productivity of U.S. organizations for the benefit of all citizens. BNQP develops and disseminates evaluation criteria and manages the Malcolm Baldrige National Quality Award. It also provides global leadership in promoting performance excellence and in the learning and sharing of successful performance practices, principles, and strategies.

Call BNQP for

- information on improving the performance of your organization
- information on eligibility requirements for the Baldrige Award
- information on applying for the Baldrige Award
- information on becoming a Baldrige Examiner
- information on the Baldrige Award recipients
- individual copies of the Criteria for Performance Excellence—Business, Education, and Health Care (no cost)
- information on BNQP educational materials

Telephone: (301) 975-2036; Fax: (301) 948-3716; E-mail: nqp@nist.gov
Web address: www.baldrige.nist.gov

American Society for Quality
600 North Plankinton Avenue
P.O. Box 3005
Milwaukee, WI 53201-3005

The American Society for Quality advances individual, organizational, and community excellence through learning, quality improvement, and knowledge exchange. ASQ administers the Malcolm Baldrige National Quality Award under contract to NIST.

Call ASQ to order

- bulk copies of the Criteria
- case studies
- Award recipients videos

Telephone: (800) 248-1946; Fax: (414) 272-1734; E-mail: asq@asq.org
Web address: www.asq.org

excellence